

RESOLUTION 30693

A RESOLUTION relating to the Seattle Monorail Project, setting out factors the City Council intends to consider in determining whether to allow issuance of Project Construction Permits for the Green Line monorail project.

WHEREAS, the Seattle Monorail Project (SMP) has undertaken extensive financial review of the construction and operation of the Monorail Transit System; and

WHEREAS, in Resolution 30629, the City Council expressed its intent to require substantial evidence that the entire Green Line is capable of being constructed within the budget described in the SMP plan; and

WHEREAS, the City Council intends to undertake, as part of its own due diligence on behalf of the people of the City of Seattle, a review of the financial viability of the Monorail Transit System before allowing the City's rights-of-way to be used pursuant to the Transit Way Agreement attached to C.B. 114902 and anticipated to be executed by the City and SMP; and

WHEREAS, subsection 3.1.1 A of the Transit Way Agreement is expected to obligate the City Council to set out by resolution the financial factors the City Council intends to consider in determining whether to allow issuance of Project Construction Permits; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:

Section The City Council intends to hire an independent expert or experts ("Consultants") who is a neutral party with extensive professional experience in public transportation financing and bond markets to assist the Council in determining whether to vote by resolution to allow the issuance of Project Construction Permits for the Monorail Transit System

Section 2. The Consultants shall assess whether SMP's financial submittal is complete and shall provide recommendations to Council regarding the same The Consultants shall also assess whether the entire Monorail Transit System, including the obligations imposed by the Transit Way Agreement and the Exhibits thereto and allowing for reasonable contingencies such as for permit conditions, is capable of being constructed, operated, and maintained, for a period extending until five years after the entire Monorail Transit System is open for revenue service, with the financial resources available to SMP. The Consultants shall also assess the financial risks that may attend the Monorail Transit System beyond five years after the entire Monorail Transit System is open for revenue service.



1 Section 3. The Consultants shall review and comment on SMP's projections and underlying assumptions
2 for, among other things, motor vehicle excise tax revenues, cost of the Design Build Equip Contract (DBEC),
3 other construction-related costs, ongoing agency costs, reserves and contingencies (including for judgments and
4 claims), the cost, benefits, and risks of the proposed financial instruments, ridership forecasts, projected farebox
5 revenue, estimates of other (non-farebox) operating revenues, and cost of the Operations and Maintenance
6 Contract (OMC). The Consultants may make their independent projections as well.

7 Section 4. The Consultants shall review and comment on any assumptions used by SMP in its financial
8 plan that relate to integration with King County Metro Transit bus service.

9 Section 5. As part of its assessment as to whether to allow issuance of Project Construction Permits, the
10 City Council requests a good faith effort by SMP to obtain a letter of intent, signed by SMP and King County
11 Metro Transit, in which those two entities: agree to work toward a common fare structure that avoids
12 unreasonable transfer penalties for riders who transfer between bus and monorail; outline strategies they intend to
13 use in deciding whether and how to truncate existing bus routes, re-route existing bus routes, and provide new or
14 expanded feeder bus service to monorail stations; and outline an approach to sharing fare revenue and/or
15 otherwise providing compensation to each other for changes in ridership or revenue due to operation of the
16 monorail. If the signed letter of intent is not provided in time for the Consultants' assessment, then the
17 Consultants shall consult with Metro and use appropriately conservative assumptions regarding revenues from
18 ridership

19 Section 6. The Consultants shall provide to the Council their professional opinion as to the answers to the
20 following questions:

- 21 (a) Are SMP's financial resources adequate to complete construction of the entire Monorail Transit
22 System and operate the entire Monorail Transit System for five years after the entire Monorail
23 Transit System is open for revenue service, without creating undue financial risks after those five
24 years, including maintenance and replacement of capital stock?

- 1 (b) Does the SMP's \$1.5 billion cap (in 2002 dollars) on debt allow SMP to issue sufficient debt
2 based upon the .4 percent motor vehicle excise tax and its projected yields?
- 3 (c) Are SMP's financial resources adequate to cover costs in addition to the costs for the DBEC and
4 OMC?
- 5 (d) Has SMP provided sufficient protections and reserves to pay unanticipated costs and to address
6 unanticipated risks?
- 7 (e) After performing sensitivity analyses of key assumptions, what are the key areas of risk that
8 affect the feasibility of the construction and operation of the Monorail Transit System?

9 Section 7. The Consultants will deliver their analysis and report to the City Council within 30 days after
10 receiving a complete SMP financial submittal as described in subsection 3.1.1 A of the Transit Way Agreement.
11 The City Council will vote within 30 days after receiving the Consultants' report whether to allow Project
12 Construction Permits to be issued.


13 Section 8. The City Council's process for consideration of SMP's financial submittal and consideration
14 of work done by the Consultants is solely a part of the City's determination whether to consent to SMP's use of its
15 rights-of-way and to allow issuance of Project Construction Permits, and is for the City's benefit only.

16 Section 9. Capitalized terms not defined in this resolution shall have the meanings given them in the
17 Transit Way Agreement, the execution of which is authorized by the ordinance introduced as Council Bill
18 14902.

19 Adopted by the City Council the 28th day of June, 2004, and signed by me in open session in
20 authentication of its adoption this 28th day of June, 2004.

21 
22 President of the City Council

23 Filed by me this 28th day of June, 2004.

24 
City Clerk

(Seal)